This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 10 TEL AVIV 006512

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA HQ USAF FOR XOXX DA WASHDC FOR SASA JOINT STAFF WASHDC FOR PA USCINCCENT MACDILL AFB FL FOR POLAD/USIA ADVISOR COMSOCEUR VAIHINGEN GE FOR PAO/POLAD COMSIXTHFLT FOR 019

JERUSALEM ALSO FOR ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

E.O. 12958: N/A
TAGS: <u>IS KMDR MEDIA REACTION REPORT</u>
SUBJECT: ISRAEL MEDIA REACTION

## SUBJECTS COVERED IN THIS REPORT:

- 11. "Agreement on Movement and Access"
- ¶2. Mideast
- 13. Iran: Nuclear Program

Key stories in the media:

All media (lead stories in Ha'aretz and Yediot) reported on the "Agreement on Movement and Access," which was brokered on Tuesday by Secretary of State Condoleezza Rice. Quartet Special Envoy James Wolfensohn was quoted as saying in an interview with Israel Radio that the sides may have ignored him, but that they could not ignore Secretary Rice. Wolfensohn was also interviewed in other media. Ha'aretz and Yediot wrote that convoys will start running between the Gaza Strip and the West Bank (according to Yediot, through Ashkelon and Kiryat Gat) within a month. The Jerusalem Post reported that Gazans are divided regarding the necessity of building a seaport in Gaza. Ha'aretz reported that speaking on Tuesday at the Knesset's Foreign Affairs and Defense Committee, Knesset Member Binyamin Netanyahu blasted the agreement, saying that Israel's security comes before the Palestinians' convenience, and that Israel must reject dictates regarding the passages that could endanger the nation.

Yediot reported that both Israel and the Palestinians welcomed the agreement. The newspaper quoted Defense Minister Shaul Mofaz as saying: "This might be the basis for continued cooperation." Yediot quoted PA Chairman [President] Mahmoud Abbas as saying: "The independent Palestinian state is within reach. If we have an Israeli partner, we will be able to complete the final status arrangement negotiations within six months." Similarly, The Jerusalem Post quoted chief Palestinian negotiator Saeb Erekat as saying at an event held Tuesday at the Netanya Academic College to mark the 10th anniversary of Yitzhak Rabin's assassination: "We do not need more than six months to see a historic treaty with Israel." The Jerusalem Post further quoted Erekat as saying: "We made our historic compromise. We recognized your right to live as a state with secure and recognized borders." Erekat reportedly noted that he was speaking on Abbas's behalf and urged Israel to contribute to the peace process. This morning, Israel Radio reported that Abbas told FM Silvan Shalom in Tunis that contacts should not be interrupted after every incident. The radio said that Shalom begged to disagree.

Yediot reported that President Bush has named General Keith Dayton as U.S. security coordinator in the region, replacing Lt. General William Ward. The Jerusalem Post reported that the European Union has decided to upgrade the assistance it provides the PA and that, starting January 1, it will deploy a police mission -- code-named EUPOL-COPPS -- to the Gaza Strip and Palestinian territories. Ha'aretz reported that

the PA intends to allow members of Hamas and Islamic Jihad to leave the Gaza Strip through the Rafah border crossing to "freshen up" in Egypt.

Israel Radio reported that the IDF made use of artillery fire throughout the night, in response to launchings of mortars from the northern Gaza Strip.

Israel Radio quoted senior Likud sources as saying that PM Sharon has decided to remain in the party and that the political atmosphere has changed since the election of Knesset Member Amir Peretz to the position of Labor Party chairman. Maariv reported that most senior Labor Party members with whom Peretz has spoken recently do not want to see Shimon Peres in a secure second place in the party's list for the Knesset elections. Radio reported that Labor Party sources have asked the Yahad-Meretz party to abandon the idea of the unification of the two parties, which was put forward by Yahad-Meretz Knesset Member Yossi Sarid in an article published in Ha'aretz on Friday. The sources reportedly voiced the concern that voters could flee the Labor Party in the wake of such a union. The Jerusalem Post reported that the Labor Party, Shinui, National Religious Party, and National Union Knesset factions agreed with Peretz on Tuesday that the ideal date for the general elections would be March 7. Israel Radio quoted Labor Party Secretary-General, Knesset Member Eitan Cabel, as saying that his party favors March 2006 as the date of the next Knesset elections, but that he did not rule out late February. Ha'aretz reported that Peretz has reportedly won a pledge from Shinui party Chairman Yosef (Tommy) Lapid that his party will not join Sharon's foundering coalition when Labor quits. Israel Radio reported that this morning, at a meeting of the Likud Knesset faction, Likud Knesset members from the Sharon loyalist camp as well as the Likud rebels took turns talking about need for unity in the party in order to defeat newly elected Labor chairman Amir Peretz. The radio quoted Sharon as saying afterwards that he was unimpressed with those calls. Ha'aretz quoted Sharon associates as saying that over the last few days the PM has widened his clear lead over Knesset Member Binyamin Netanyahu, his main rival in the Likud chairmanship

All media reported that on Tuesday, FM Silvan Shalom and Communications Minister Dalia Itzik (Labor) arrived in Tunisia, where they will attend the World Summit on the Information Society. Ha'aretz notes that this is the first visit to Tunisia by Israeli ministers. Israel Radio quoted UN Secretary-General Kofi Annan as saying, following a meeting with Shalom, that the time has not yet come to bring the issue of Iran's nuclear program to the UN Security Council. Maariv quoted Israeli representatives at the conference as saying that Iranian representatives are eager to visit the Israeli booth and are demonstrating "openness, curiosity, pride, and a tremendous thirst for Israeli information."

The Jerusalem Post reported that Saudi Arabia's decision to lift its boycott against Israel was adopted after a strong ultimatum from the U.S., which stated that any bilateral trade agreement would depend on a Saudi renunciation of the Arab embargo against Israel. Ha'aretz notes that Saudi Arabia's readiness to lift the embargo is a more far-reaching step than those taken by other Arab countries that have joined the WTO such as Oman, Qatar, and the United Arab Emirates.

Israel Radio reported that on Tuesday, the Consuls-General of Israel and Pakistan in New York met at a cultural event in support of the victims of the recent South Asian earthquake. The radio reported that the Israeli artist Eidan Reichel performed at the event. All media reported on, and The Jerusalem Post bannered, Knesset Member Omri Sharon's conviction in Tel Aviv's Magistrate's Court Tuesday on charges that he concealed illegal donations to his father's (PM Sharon's) election campaigns. The media note that the verdict was less lenient than Omri Sharon had expected and that he could face a jail sentence. Leading media reported that Omri Sharon is apparently planning to use new campaign finance regulations to minimize his sentence. In another development, Yediot reported that the legal case against Sharon in the Cyril Kern affair — involving alleged illegal loans to Sharon during the 1999 Likud primaries — will be closed within two months, due to lack of cooperation by the Austrian and South African authorities.

Leading media reported that on Tuesday, a military tribunal acquitted an IDF captain of all charges relating to the killing of a Palestinian girl in the

Gaza Strip in October 2004.

Ha'aretz reported that the government is advancing a bill to prevent Palestinians suspected of security-related offenses from meeting with a lawyer for a period of up to 50 days. The bill is in an advanced stage of legislation.

Yediot reported that at a meeting with EU foreign policy chief Javier Solana on Tuesday, Sharon asked the EU to maintain its pressure on Syria.

Israel Radio reported that President Moshe Katsav received an enthusiastic welcome during his official visit to Italy. The radio reported that on Tuesday, at a state dinner at the Quirinale, the residence of Italian President Carlo Azeglio Ciampi, Katsav called on the world to set up an anti-terror HQ. Katsav is scheduled to meet with Italian PM Silvio Berlusconi today, and with Pope Benedict XVI on Thursday.

Yediot cited intelligence emanating from Arab sources, according to which Abu Musab al-Zarqawi, Al-Qaida's chief of operations in Iraq, plans to abduct and murder Israeli citizens in Jordan. Yediot quoted a senior Arab intelligence official as saying that Israeli businessmen and tourists should exercise extreme caution during their visits to Jordan, and shorten their stays in that country.

The Jerusalem Post cited an announcement made Tuesday

The Jerusalem Post cited an announcement made Tuesday by Qatar Airways that it has signed a special prorate agreement with the Israeli airline Arkia, marking the first time such partnership has been forged between an Israeli and a Gulf state airline.

Ha'aretz and The Jerusalem Post reported that Baruch Marzel, a leader of the outlawed far-right Kach movement, announced on Tuesday that he plans to start a new party and run for the Knesset. The party would be called Jewish National Front.

Last night, Channel 2-TV reported on the visit of senior NATO officials to Israel, and on other senior-level contacts in Europe between the two parties. The Jerusalem Post reported that the defense ministers of Israel and Greece agreed on Tuesday in Jerusalem to move forward with a defense pact and increase bilateral defense relations.

Yediot reported that Education Minister Limor Livnat has instructed all Israeli schools to devote one hour next Monday to discuss the affair of Jonathan Pollard, who is detained in a federal U.S. jail after being convicted of spying for Israel. The purpose of the move is to bring Pollard's suffering to the consciousness of the Israeli youth. Yediot quoted Livnat as saying: "Israel's commitment to Pollard is part of the combat heritage and the Jewish heritage: a soldier cannot be abandoned on the field."

All media reported that on Tuesday, the police interrogated Israel Aircraft Industries CEO Moshe Keret on suspicion of accepting bribes and illegal benefits. Leading media cited alleged deals with Eastern European countries.

Maariv reported that Coca-Cola will open a new 650 square-meter visitor center in Israel, at a cost of USD 2.5 million. The company's previous visitor center closed down one year ago.

Erratum: The American equity investment fund that has become a majority shareholder in Bank Leumi, Israel's second bank, is Cerberus-Gabriel, and not as reported on Tuesday.

11. "Agreement on Movement and Access":

#### Summary:

Diplomatic correspondent Herb Keinon wrote in the conservative, independent Jerusalem Post: "The growing political instability here made it clear to the U.S. that the window of opportunity to close a deal such as this was narrowing quickly."

Diplomatic correspondent Aluf Benn wrote in independent, left-leaning Ha'aretz: "Sharon went much further here than Ehud Barak's proposals in Camp David and even further than Yossi Beilin's Geneva Accord, which dealt with an Israeli presence of several years on the borders of the Palestinian state."

Military correspondent Arieh O'Sullivan wrote in The

Jerusalem Post: "The danger of the Rafah precedent will be apparent when the Palestinians open their sea- and airport where [Katyusha rockets and artillery] could be more readily imported."

## Block Quotes:

#### II. "Why Rice Pushed So Hard On Rafah"

Diplomatic correspondent Herb Keinon wrote in the conservative, independent Jerusalem Post (November 16): "It is not every day that the U.S. Secretary of State changes her schedule, rolls up her sleeves and gets into the nitty-gritty on two hours of sleep - of very technical negotiations between Israel and the Palestinians.... While during another period the US may have tolerated this foot dragging for a bit longer, the country's newfound political instability, brought about by Amir Peretz's stunning defeat of Shimon Peres in the Labor party primary last week, has jolted the Administration into action... The growing political instability here made it clear to the U.S. that the window of opportunity to close a deal such as this was narrowing quickly. And this deal, with its call for enhanced cargo capacity at Karni and a target [date] to begin passenger and truck convoys from Gaza to the West Bank, was considered by the U.S. and Quartet envoy James Wolfensohn as critical to attracting the investment and donor dollars into Gaza necessary for the region's economic development. The Rafah deal was the first agreement between the PA and Israel since disengagement, and it is likely, with elections looming so large, to be the last until the country goes to the Rice had to strike while the irons were still hot because once Labor and Likud agree on an election date, the diplomatic irons will cool down significantly for a number of months.

#### II. "Rafah Deal Is Sharon's Last Act on the PA Stage"

Diplomatic correspondent Aluf Benn wrote in independent, left-leaning Ha'aretz (November 16): "The Rafah agreement reached Tuesday to operate the Gaza Strip's border crossings is probably the last political act by the Sharon government on the Palestinian stage. It may be seen as the final chapter of the disengagement in which Israel is pulling out the cork that has blocked the Strip from the rest of the world until now.... Sharon went much further here than Ehud Barak's proposals in Camp David and even further than Yossi Beilin's Geneva Accord, which dealt with an Israeli presence of several years on the borders of the Palestinian state. However, with the IDF pullout from Rafah it transpired that Israel can no longer control Gaza's gates. The Palestinians also conducted a successful public opinion campaign, claiming the Israeli occupation was continuing around it, and that the Strip was 'the world's largest prison.'"

# III. "Rafah Deal Will Only Have Marginal Impact on Security"

Military correspondent Arieh O'Sullivan wrote in The Jerusalem Post (November 16): "[Officials in Israel's defense establishment] maintain that Israel has long known that it would have to give up control of the international border as part of the disengagement. The attempts to keep a semblance of overall rule were part of the Middle East negotiation bazaar. The 'concessions' paid were to portray to the Americans a sense of how difficult it was for Israel. Palestinians made no concessions apart from the fact that they now have a camera over their shoulder, and European supervision. But whether or not the monitors have teeth able to bite into the flow of terrorism remains to be seen. Military and security officials point out that the impact on Israeli security of this deal was marginal since the Gaza Strip itself was still sealed off from Israel and the West Bank... The danger of the Rafah precedent will be apparent when the Palestinians open their sea- and airport where [Katyusha rockets and artillery] could be more readily imported. It will be difficult for Israel to insist on a veto here after giving it up on the land crossing to Egypt."

<u>¶</u>2. Mideast:

Summary:

editorial of mass-circulation, pluralist Yediot Aharonot: "If not for the disengagement from Gaza and the renewal of cooperation between the Israeli government and the Palestinians, the Saudi boycott of Israel would not have been lifted, and Minister Shalom's state visit to Tunisia would not have come to pass."

### Block Quotes:

"Boycott Lifted"

Chief Economic Editor Sever Plotker opined in the lead editorial of mass-circulation, pluralist Yediot Aharonot (November 16): "Two pieces of good news about the renewing relations with the Arab world: Saudi Arabia has completely lifted the economic boycott against Israel, and Tunisia opened its gates to an official delegation from Israel headed by Foreign Minister Silvan Shalom... The Saudi regime was faced with a choice: to stop the boycott against Israel or international economic isolation — and it chose to lift the boycott. This is how globalization lays the groundwork for the warming of relations between the Arab states and Israel... However, this is not just about the fruits of globalization. If not for the disengagement from Gaza and the renewal of cooperation between the Israeli government and the Palestinians, the Saudi boycott of Israel would not have been lifted, and Minister Shalom's state visit to Tunisia would not have come to pass."

13. Iran: Nuclear Program:

### Summary:

Independent, left-leaning Ha'aretz editorialized: "It's important for Israel to make it clear that time is running out and that diplomacy must have a clear and final target date."

Block Quotes:

"Don't Let Up on Iran"

Independent, left-leaning Ha'aretz editorialized (November 16): "The effort to stop the 'Iranian bomb' took on secondary importance in the wake of the call by Iran's president, Mahmoud Ahmadinejad, to 'wipe Israel off the map.' The radical comment clarified the severity of the threat facing Israel and generated worldwide condemnation. But Israel cannot allow expressions of sympathy to suffice when it faces an enemy threatening to destroy it and aiming to arm itself with the means necessary to do so... Now the time has come for another decision. The International Atomic Energy Agency board of governors is to meet again next Thursday to discuss turning the Iran matter over to the UN Security Council, which can impose sanctions. Russia is persistent in its opposition to this and insists that diplomacy be given another chance... It's important for Israel to make it clear that time is running out and that diplomacy must have a clear and final target date.... Iran today feels strong in light of the increase in oil prices and the political difficulties the American and French leaders have encountered. There's no doubt that in such circumstances it will be more difficult to pressure Tehran, but we must not stop trying. The Iranian bomb must be stopped before it becomes operational and fundamentally changes the balance of power in the Middle East."

JONES